

Message Text

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PAGE 01 PRETOR 03520 181040Z
ACTION EUR-12

INFO OCT-01 AF-10 IO-13 ISO-00 FEA-01 ACDA-07 CIAE-00
 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05 OES-07
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P 181007Z JUL 77
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC PRIORITY 8099
INFO AMCONSUL CAPE TOWN
AMCONSUL DURBAN
AMCONSUL JOHANNESBURG
AMEMBASSY PARIS PRIORITY
USMISSION USUN NEW YORK

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E.O. 11652: N/A
TAGS: ENRG SF FR
SUBJ: LOAN BY FRENCH ATOMIC ENERGY COMMISSION FOR
URANIUM PRODUCTION

REF: PARIS 20434

1. RANDFONTEIN ESTATES INFORMED ITS SHAREHOLDERS IN
DECEMBER, 1975 OF PROPOSAL TO EXPAND PRODUCTION OF
URANIUM AND GOLD ORE. FIRM SAID THIS WOULD INVOLVE SHAFT
SINKING AND EQUIPPING AT COOKE NO. 2 SHAFT (ABOUT 20
MILES WEST OF JOHANNESBURG), INSTALLATION OF INTEGRATED GOLD
AND URANIUM BENEFICIATION PLANT NEAR COOKE SECTION AND RE-
OPENING OF RANDFONTEIN SECTION. FIRM LATER INDICATED THAT
URANIUM PLANT AT MILLSITE WOULD BE REFURBISHED TO TREAT
SLIMES. INITIALLY ORE FROM COOKE WILL BE TREATED AT
MILLSITE, BUT WHEN COOKE PLANT IS FULLY OPERATIONAL, IT
WILL TREAT 250,000 TONS/MONTH WHILE MILLSITE WILL TREAT
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PAGE 02 PRETOR 03520 181040Z

100,000 TONS/MONTH. COMPANY'S ANNUAL REPORT IN MARCH, 1977
SAID FIRST INSTALLMENT OF \$34.6 MILLION OF \$103.8 MILLION
INTEREST-FREE LOAN HAD BEEN RECEIVED JAN 15, 1977 FROM
PURCHASERS OF URANIUM, WITH SECOND AND THIRD TRANCHES
DUE JULY 1, 1977 AND JULY 1, 1978. PURCHASER WAS NOT
IDENTIFIED NOR WAS PRICE GIVEN.

2. TOTAL COST OF PROJECT GIVEN BY PRESS AS R145 MILLION AND PRODUCTION 900 TONS ANNUALLY. VARIOUS ESTIMATES HAVE BEEN GIVEN FOR YIELD, MOST RECENT BEING 1.221 KG/TON FOR URANIUM AND 5 GRAMS PER TON FOR GOLD. PROCESSING COST ESTIMATED AT \$2.50/TON.

3. PRESS REPORTS OF JULY 6 ORIGINATING LONDON INDICATED FOR FIRST TIME THAT FRENCH ATOMIC ENERGY COMMISSION (CEA) HAD PROVIDED INTEREST-FREE FINANCING AS PART OF A DEAL WHEREBY 900 TONS WOULD BE SUPPLIED FOR 10 YEARS BEGINNING 1980 AT A MINIMUM \$26.80 A POUND WITH ESCALATOR BASED ON INDEX OF AVERAGE SA MINING COSTS FOR GOLD AND URANIUM.

4. FRENCH OFFICIALS HERE WOULD NOT CONFIRM OR DENY PRESS REPORTS ON CEA PARTICIPATION. A CONTACT AT JOHANNESBURG CONSOLIDATED INVESTMENT, PARENT FIRM OF RANFONTEIN, ALTHOUGH UNWILLING TO COMMENT, SAID REPORT WAS VIEWED AS A SERIOUS LEAK WHICH WAS BEING INVESTIGATED BY SOUTH AFRICAN ATOMIC ENERGY BOARD. WE WILL SEEK FURTHER DETAILS ON FRENCH-SOUTH AFRICAN ATOMIC COOPERATION BUT DOUBT SOUTH AFRICANS WILL OFFICIALLY ACKNOWLEDGE THIS DEAL FOR REASONS SET OUT IN PARA 3 OF REFTEL.
BOWDLER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, PRODUCTION, LOANS
Control Number: n/a
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Sent Date: 18-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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ISecure: 1
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Status: NATIVE
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